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**KIRKLAND & ELLIS**  
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

Chicago Office  
200 East Randolph Drive  
Chicago, Illinois 60601  
Telex 25-4361  
312 861-2000

655 Fifteenth Street, N.W.  
Washington, D.C. 20005

202 879-5000

Denver Office  
1999 Broadway  
Denver, Colorado 80202  
303 291-3000

To Call Writer Direct  
202 879-5092

April 17, 1989

Mr. Larry Johnson  
Assistant Regional Counsel  
U.S. Environmental Protection  
Agency, Region V  
111 West Jackson Boulevard  
Chicago, Illinois 60604

Ms. Marcy Toney  
U.S. Department of Justice  
U.S. Environmental Protection  
Agency, Region V  
111 West Jackson Boulevard  
Chicago, Illinois 60604

Re: Manville Waukegan, Illinois CERCLA Site

Dear Larry and Marcy:

At our meeting on April 3, 1989, Manville expressed to you its desire to find a basis to continue and complete remedial work and to resolve current disagreements between Manville and EPA. This letter and the attached technical proposal, which is entitled Protocol for Completion of Remedial Construction, constitute Manville's proposal to achieve those ends. Many of the points covered in the technical proposal were discussed and agreed to in substance during the site visit by EPA and Manville representatives on April 12, 1989. Per discussion that day, typical cross-sections through the west waste pile will be provided by April 24.

Manville hopes by this proposal to achieve a comprehensive resolution of all issues at the Site. Because the proposal represents a substantial compromise of Manville's views concerning how the work was intended to be performed, we offer it as a basis for resolving all issues, including that of civil penalties. However, our highest priority is to resolve the issues relating to the ongoing work.

Our proposal addresses the following issues:

1. Procedures and framework for completing surface preparation;
2. Visible emissions standard and controls;

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3. Other technical and timing issues;
4. Specification for job completion; and
5. EPA's recommended complaint.

As long as these issues can be resolved in a way that provides Manville adequate certainty, Manville does not believe it necessary that they be formalized as changes to the consent decree or related documents.

The following summarizes Manville's proposal:

1. Procedures and Framework for Completing Surface Preparation: Section 4 of the attached technical proposal sets forth a specific approach to completing grading and other surface preparation activities. This section includes two parts: first, a general statement of grading guidelines defining the extent to which grading will be conducted in areas not specifically addressed in the proposal; second, a description of how surface preparation will proceed at several specific locations. This approach, which permits grading in some locations and specifies surface preparation with sand fill in other locations, reflects a substantial compromise between our respective interpretations of job intent with respect to section lines and material movement.

2. Visible Emissions Standard and Controls: Section 3 of the attached technical proposal sets forth a definition of visible emissions to be used at the site, and lists specific work approaches and practices to be used to minimize and control visible emissions. Section 3 is simply an amplification of the approach adopted in the December 14 "Visible Emission Standards Change," and is entirely consistent with the agreement outlined in that document.

3. Other Technical and Timing Issues: The technical proposal also addresses several other concerns which have arisen during the course of the work. Section 2 addresses project management. As stated there, Manville has retained Conestoga Rovers Associates to manage the Remedial Action implementation for the Site. Section 2 also addresses reporting relationships, communication channels, and weekly meetings and minutes. Section 5 concerns modifications to the dike seepage and collection drain.

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Among the subjects discussed during the April 12, 1989 site visit, but not addressed in the current technical proposal, are the "sludge disposal pit" and the "miscellaneous disposal pit." Manville has determined to cover both of these pits expeditiously and as appropriate. There are, however, significant technical issues which must be resolved. For example, placement of a low permeability clay liner in the base of either pit would result in a geotechnically unstable situation, including the development of leachate seeps in the future. Manville is developing a proposal to address these issues and expects to discuss them with EPA shortly.

Finally, during the April 12 site visit, it was agreed that, while most of the asbestos disposal pit will be closed by June 30, 1989, a portion will remain open as long as necessary to serve as the decontamination water disposal location.

4. Specification for Job Completion: Because the current dispute has resulted in substantial loss of the recent favorable cold weather construction season, Manville does not believe that this job can be completed within the time provided in the Consent Decree absent significant acceleration and reorganization of working schedules. Manville, however, is committed to investing the necessary resources to complete all remedial construction by May 31, 1990. Since much of the work necessarily must be performed during the Spring 1990 construction season, the "establishment of vegetation" as defined in the Work Plan will be difficult, if not impossible, to accomplish by that date. As a result, Manville proposes that the placement of topsoil and establishment of vegetation, by May 31, 1990, "or as soon thereafter as practicable," should constitute compliance with the schedule.

5. EPA's Recommended Complaint: We believe EPA's position that Manville violated the Consent Decree is based on what was, at most, an honest difference over a technical interpretation of the work plan and specifications. Certainly it was not Manville's intent to violate the Consent Decree. Importantly, the work in dispute did not result in any detectable increase in asbestos emissions or other environmental harm.

The pendency of potential litigation is distractive and does not contribute to the spirit of cooperation necessary to complete the work. The current proposals go significantly beyond what we

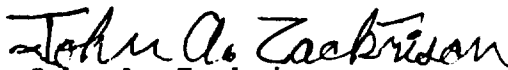
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believe is required of Manville under the Consent Decree and related documents. Therefore, a withdrawal of the Agency's recommendation would seem both appropriate, and at the same time consistent with our shared objective to complete this remediation in the most effective and efficient manner. Accordingly, we request that EPA accept the current proposals as a settlement of all misunderstandings between us.

We look forward to receiving your response to these proposals as soon as possible to assure continued progress of the work.

Sincerely,



John A. Zackrison  
Counsel for Manville Corporation

JAZ/js  
Attachment

cc: Brad Bradley